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DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-881]

Certain Cold Rolled Steel Flat Products from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review; 2017-2018

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that Hyundai Steel Company (Hyundai) and POSCO/POSCO Daewoo Co., Ltd. (POSCO/PDW), the two companies selected for individual examination, did not sell certain cold rolled steel flat products (cold-rolled steel) from the Republic of Korea (Korea) in the United States at prices below normal value during the period of review (POR) September 1, 2017 through August 31, 2018. We invite interested parties to comment on these preliminary results.

DATES: Applicable **[INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

FOR FURTHER INFORMATION CONTACT: Michael J. Heaney, Paul Walker, or Marc Castillo, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4475, (202) 482-0413, or (202) 482-5019, respectively.

SUPPLEMENTARY INFORMATION:

Background

Commerce initiated this administrative review on November 15, 2018.¹ We selected Hyundai Steel Company (Hyundai) and POSCO/POSCO Daewoo Co., Ltd. (POSCO/PDW) as mandatory respondents.

On January 28, 2019, Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018 through the resumption of operations on January 29, 2019.² On July 5, 2019, we extended the deadline for the preliminary results of this review by 90 days.³

Between August 15 and August 29, 2019, the petitioners⁴ filed timely allegations that a particular market situation (PMS) with respect to Hyundai's and POSCO/PDW's prices and costs of production of cold-rolled steel in Korea during the POR.⁵ On October 8, 2019, Hyundai and POSCO/PDW submitted comments on the PMS Allegations.⁶

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 83 FR 57411 (November 15, 2018).

² See Memorandum, "Deadlines Affected by the Partial Shutdown of the Federal Government," dated January 28, 2019. All deadlines in this segment of the proceeding have been extended by 40 days.

³ See Memorandum, "Certain Cold Rolled Steel Flat Products from the Republic of Korea: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review," dated July 5, 2019.

⁴ The petitioners are ArcelorMittal USA LLC, AK Steel Corporation, Nucor Corporation, Steel Dynamics, Inc., and United States Steel Corporation (collectively, the petitioners).

⁵ See Petitioners' Letters, "Cold-Rolled Steel Flat Products from the Republic of Korea: Cost-Based Particular Market Situation Allegation," dated August 15, 2019; "Cold-Rolled Steel Flat Products from the Republic of Korea: Cost Adjustments and Price-Based Particular Market Situation Allegations for Hyundai," dated August 15, 2019; and "Cold-Rolled Steel Flat Products from the Republic of Korea: Revised Price-Based Particular Market Situation Allegations for Hyundai," dated August 29, 2019. On September 23, 2019, the petitioners submitted a clarification to the PMS Allegations. See Petitioners' Letter, "Cold-Rolled Steel Flat Products from the Republic of Korea: Factual Information to Clarify Aspects of Domestic Interested Parties' Particular Market Situation Allegation," dated September 23, 2019 (collectively, PMS Allegations).

⁶ See Hyundai's and POSCO/PDW's Letter, "Cold-Rolled Steel Products from the Republic of Korea: Particular Market Situation Comments and Rebuttal Factual Information," dated October 8, 2019.

On October 4, 2019, we extended the deadline for the preliminary results of this review by an additional 29 days, resulting in a deadline of November 8, 2019 for these preliminary results.⁷

For a detailed description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.⁸ The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov> and to all parties in the Central Records Unit, Room B8024 of the main Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. A list of the topics discussed in the Preliminary Decision Memorandum is attached to this notice as an appendix. The signed Preliminary Decision Memorandum and the electronic version of the Preliminary Decision Memorandum are identical in content.

Scope of the Order

The product covered by the *Order*⁹ is cold-rolled steel flat products (cold-rolled steel) from the Republic of Korea. For the full text of the scope of the *Order*, *see* the Preliminary Decision Memorandum.

⁷ See Memorandum, "Certain Cold Rolled Steel Flat Products from the Republic of Korea: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review," dated October 4, 2019.

⁸ See Memorandum, "Decision Memorandum for the Preliminary Results of the Antidumping Duty Administrative Review: Certain Cold Rolled Steel Flat Products from the Republic of Korea; 2017-2018," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁹ See *Certain Cold Rolled Steel Flat Products from Brazil, India, the Republic of Korea, and the United Kingdom: Amended Final Affirmative Antidumping Determinations for Brazil and the United Kingdom and Antidumping Duty Orders*, 81 FR 64432 (September 20, 2016) (*Order*).

Methodology

Commerce is conducting this administrative review in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act). Constructed export price is calculated in accordance with section 772 of the Act. Normal value is calculated in accordance with section 773 of the Act. For the reasons more fully explained in the proprietary PMS Memorandum, Commerce preliminarily finds that a cost-based PMS existed in Korea during the POR concerning the cost of hot-rolled coil (HRC) as a component of the cost of production for the cold-rolled steel that Hyundai Steel and POSCO/PDW produced.¹⁰ Specifically, we quantified the impact of the PMS on the material cost of HRC and derived a corresponding adjustment factor that, when applied to the costs of HRC, accounts for the distortions induced by the observed PMS.¹¹ For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

Rates for Non-Examined Companies

The statute and Commerce's regulations do not address the establishment of a rate to be applied to companies not selected for individual examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in a market economy investigation, for guidance when calculating the rate for companies which were not selected for individual examination in an administrative review. Under section 735(c)(5)(A) of the Act, the all-others rate is normally "an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters

¹⁰ For a complete discussion, *see* Memorandum, "2017-2018 Administrative Review of the Antidumping Duty Order on Cold-Rolled Steel from the Republic of Korea: Decisions on Particular Market Situation Allegations," dated concurrently with this memorandum (PMS Memorandum).

¹¹ *See* PMS Memorandum.

and producers individually investigated, excluding any zero or *de minimis* margins, and any margins determined entirely {on the basis of facts available}.”

In this review, we have preliminarily calculated weighted-average dumping margins for Hyundai and POSCO/PDW that are zero. Accordingly, we have preliminarily assigned to the companies not individually examined (*i.e.*, Dongbu Steel Co., Ltd. and Dongbu Steel Incheon Steel Co., Ltd.) a margin of 0.00 percent.

Preliminary Results of Review

Commerce preliminarily determines that, for the period September 1, 2017 through August 31, 2018, the following weighted-average dumping margins exist:

Producer or Exporter	Weighted-Average Dumping Margin (percent)
Hyundai Steel Company	0.00
POSCO/POSCO Daewoo Co., Ltd.	0.00
Non-Examined Companies	0.00

Disclosure, Public Comment, and Opportunity to Request a Hearing

We intend to disclose the calculations performed for these preliminary results of review to interested parties within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). Pursuant to 19 CFR 351.309(c), interested parties may submit case briefs no later than 30 days after the date of publication of this notice. Rebuttal briefs, the content of which is limited to issues raised in the case briefs, may be filed no later than five days after the date for filing case briefs.¹² Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary

¹² See 19 CFR 351.309(d).

of the argument; and (3) a table of authorities.¹³ Case and rebuttal briefs should be filed using ACCESS¹⁴ and must be served on interested parties.¹⁵ Executive summaries should be limited to five pages total, including footnotes.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via Commerce's electronic records system, ACCESS. An electronically filed request must be received successfully in its entirety by 5:00 p.m. Eastern Time within 30 days of the date of publication of this notice.¹⁶ Requests should contain: (1) the party's name, address and telephone number; (2) the number of participants; and (3) a list of issues parties intend to discuss. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs. If a request for a hearing is made, Commerce intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a date and time to be determined.¹⁷ Parties should confirm the date, time, and location of the hearing two days before the scheduled date.

Commerce intends to issue the final results of this administrative review, including the results of its analysis of the issues raised in any case or rebuttal briefs, no later than 120 days after the date of publication of this notice, unless extended.¹⁸

Assessment Rates

Upon completion of this administrative review, Commerce shall determine, and Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries. We

¹³ See 19 CFR 351.309(c)(2) and (d)(2).

¹⁴ See *generally* 19 CFR 351.303.

¹⁵ See 19 CFR 351.303(f).

¹⁶ See 19 CFR 351.310(c).

¹⁷ See 19 CFR 351.310(d).

¹⁸ See section 751(a)(3)(A) of the Act and 19 CFR 351.213(h).

intend to issue liquidation instructions to CBP 15 days after publication of the final results of this review.

For any individually examined respondent whose weighted-average dumping margin is not zero or *de minimis* (i.e., less than 0.5 percent) in the final results of this review and the respondent reported reliable entered values, we will calculate importer-specific *ad valorem* assessment rates for the merchandise based on the ratio of the total amount of dumping calculated for the examined sales made during the POR to each importer and the total entered value of those same sales, in accordance with 19 CFR 351.212(b)(1). If the respondent has not reported reliable entered values, we will calculate a per-unit assessment rate for each importer by dividing the total amount of dumping calculated for the examined sales made to that importer by the total sales quantity associated with those transactions. Where an importer-specific *ad valorem* assessment rate is zero or *de minimis* in the final results of review, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties in accordance with 19 CFR 351.106(c)(2). If a respondent's weighted-average dumping margin is zero or *de minimis* in the final results of review, we will instruct CBP not to assess duties on any of its entries in accordance with the *Final Modification for Reviews*, i.e., “{w}here the weighted-average margin of dumping for the exporter is determined to be zero or *de minimis*, no antidumping duties will be assessed.”¹⁹

For entries of subject merchandise during the POR produced by Hyundai and POSCO/PDW for which the producer did not know its merchandise was destined for the United States, or for any respondent for which we have a final determination of no shipments, we will

¹⁹ See *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings; Final Modification*, 77 FR 8101, 8102 (February 14, 2012) (*Final Modification for Reviews*).

instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company (or companies) involved in the transaction.²⁰

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the notice of final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for Hyundai, POSCO/PDW, and other companies listed in the final results of review will be equal to the weighted-average dumping margin established in the final results of this administrative review; (2) for merchandise exported by producers or exporters not covered in this review but covered in a prior segment of the proceeding, the cash deposit rate will continue to be the company-specific rate published for the most recently completed segment of this proceeding in which they were reviewed; (3) if the exporter is not a firm covered in this review or the original investigation but the producer is, then the cash deposit rate will be the rate established for the most recently completed segment of this proceeding for the producer of the merchandise; (4) the cash deposit rate for all other producers or exporters will continue to be 20.33 percent,²¹ the all-others rate established in the less-than-fair-value investigation. These cash deposit requirements, when imposed, shall remain in effect until further notice.

²⁰ See *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

²¹ See *Certain Cold Rolled Steel Flat Products from Brazil, India, the Republic of Korea, and the United Kingdom: Amended Final Affirmative Antidumping Determinations for Brazil and the United Kingdom and Antidumping Duty Orders*, 81 FR 64432 (September 20, 2016).

Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Notification to Interested Parties

Commerce is issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

Dated: November 8, 2019.

Jeffrey I. Kessler,

Assistant Secretary

for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

1. Summary
2. Background
3. Scope of the Order
4. Rates for Non-Examined Companies
5. Duty Absorption
6. Discussion of the Methodology
7. Adjustments to Cash Deposit Rates for Export Subsidies in Companion Countervailing
Duty Review
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9. Recommendation

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